

## Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY SEOUL IMMEDIATE

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E.O. 11652: N/A

TA ; BGEN; BEXP: KS

SUBJECT: KOREAM MOTION PICTURE INDUSTRY

REFERENCE: (A) SEOUL 7447, (B) SEOUL 7099, (C) SEOUL 7150

1. DURING SEPTEMBER 23 CONVERSATION WITH GEORGE VIETHEER, NEW YORK - BASED VICE PRESIDENT, MOTION PICTURE EXPORT ASSOCIATION OF AMERICA (MPEAA), COMMERCE OFFICER DISCUSSED QUESTIONS RAISED BY EMBASSY IN REF. A.

2. MEETING TO WHICH VICE MINISTER KIM REFERRED IN CON-  
VERSATION WITH EMBOFF CONVENED IN HOLLYWOOD SEPTEMBER 23.  
IN ATTENDANCE WERE PRINCIPAL FOREIGN OPERATIONS  
EXECUTIVES OF MEMBER COMPANIES OF MPEAA, WHICH REPRESENTS,  
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ACCORDING TO VIETHEER, VIRTUALLY ALL U.S. MOTION PICTURE

FIRMS ENGAGED IN EXPORT TRADE. NEW ;OREAN PURCHASING SYSTEM WAS ONE OF ;GENDA ITEMS. RESULTS OF MEETING WILL BE AVAILA0LE TO WASHINGTON AGENCIES WEEK OF SEPTEMBER 27 AND WILL BE COMMUNICATED TO EMBASSY.

3. ATTENDANCE OF KOREAN REPRESENTATIVE WOULD HAVE BEEN POSSIBLE, ALTHOUGH SUCH PROCEDURE WOULD HAVE BEEN

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SOMEWHAT UNUSUAL IN CONTEXT THESE HIGH-LEVEL INDUSTRY MEETINGS. VIETHEER NOTED, HOWEVER, THAT HE AND/OR G. GRIFFITH JOHNSON, EXECUTIVE VICE PRESIDENT, MOTION PICTURE ASSOCIATION OF AMERICA (MPAA), LOCATED IN WASHINGTON, WOULD 0E GLAD TO MEET WITH ROK REPRESENTATIVE TO DISCUSS SITUATION. VIETHEER POINTED OUT, INCIDENTALLY, THAT MPEAA HAS RECENTLY RECEIVED CABLE FROM MOTION PICTURE PROMOTION CORPORATION (MPPC) WHICH SOUGHT TO EXPLAIN -- APPARENTLY ALONG LINES OF REF. B.-- PURPOSE AND POLICY OF MPPC. (COPY WILL BE MADE AVAILABLE TO COMMERCE AND WILL BE FORWARDED TO EMBASSY). VIETHEER NOTED THAT TENOR OF MPPC CABLE SUGGESTED THAT KOREANS WISH TO REACH ACCOMMODATION, GOAL WHICH HE ALSO BELIEVES POSSIBLE.

4. VIETHEER CONFIRMED THAT EMBARGO ON SALE OF FILMS TO KOREA HAS BEEN AGREED AND IMPLEMENTED BY MPEAA MEMBER FIRMS. REASON IS THAT ASSOCIATION POLICY PRECLUDES DOING BUSINESS WITH MONOPOLY ORGANIZATIONS EXCEPT IN THOSE COUNTRIES WHEREIN THERE IS NO MARKET ECONOMY. MPPC INTENTION TO NEGOTIATE PRICES OF FILMS WITH FOREIGN SUPPLIERS (PARA 2, REF. B) SUGGESTS TO MPEAA THAT ASSOCIATION WILL, IN FACT, BE CONFRONTED WITH MONOPOLY SITUATION IN THAT POSSIBILITY OF COMPETITIVE BIDDING ON FILMS APPARENTLY NOT THEREBY POSSIBLE. VIETHEER SUGGESTED, ALTHOUGH HE COULD NOT COMMIT INDUSTRY PRIOR TO FULLER CONSULTATION, THAT MPEAA COULD ACCEPT SITUATION IN WHICH MPPC WOULD NOT ACT AS BUYING AGENT, BUT ONLY AS CENSOR; OR, AS VARIATION, SITUATION IN WHICH MPPC ACTED AS DISTRIBUTION CHANNEL WITH AUTHORIZED AGENTS AS ACTUAL PURCHASERS AND PARTIES LIMITED OFFICIAL USE

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TO WHOM DELIVERY OF FILMS MADE.

5. VIETHEER CONFIRMED POINT MADE BY EMBOFF TO KIM (PARA 6, REF. B) THAT 35,000 THOUSAND DOLLARS LIMIT PER FILM NOT REALLY COMPETITIVE IN TERMS OF ASSURING HIGHER-QUALITY IMPORTS (E.G., 23 (70 PERCENT) OF 1975 FILM EXPORTS TO ROK RANGED FROM 20,000 THOUSAH DOLLARS TO 100,000 THOUSAND DOLLARS, WITH ADDITIONAL FOUR

FILMS SUBSTANTIALLY OVER THAT AMOUNT).

6. VIETHEER, WHO HAD ALREADY RECEIVED SUBSTANCE  
REF. B. FROM REGIONAL REPRESENTATIVE PERKINS IN  
MANILA (REF. C), ALSO EXPRESSED DEGREE OF PUZZLEMENT  
OVER KIM'S COMMENTS (PARA 4) ON SIDE PAYMENTS FOR  
POPULAR FILMS AND HIGHER PRICES THROUGH DEALINGS

WITH NUMBER OF AGENTS. HAVING HEARD SUCH RUMORS  
PREVIOUSLY, HE WOULD BE PLEASED, HE SAID, TO RECEIVE  
SPECIFICS, AS MPEAA WOULD NOT WISH TO BE PARTY TO  
IRREGULARITIES.

7. EMBASSY MAY CONVEY SUBSTANCE THIS CABLE TO  
APPROPRIATE ROK OFFICIALS. WOULD APPRECIATE REPORT OF  
ROK REACTIONS, IF ANY.

8. WASHINGTON AGENCIES WILL CONSIDER POLICY IMPLICATIONS  
AND WILL REPLY TO EMBASSY REQUEST CONTAINED PARA 5C OF  
REF A. IN DUE COURSE. KISSINGER

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
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**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORTS, POLICIES, MOTION PICTURES  
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**Draft Date:** 27 SEP 1976  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** izenbei0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Review Authority:** izenbei0  
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